



NAPGA

E•NEWS

A Publication of the North American Pawpaw Growers Association Vol 4, Issue 4, 2017

President's Patch

I know that this issue of the E-News is late and I have been working diligently to catch up. I have been having some medical issues that just brought me to a complete halt. I have been doctoring with the issue for about 4 weeks and still not sure of what is causing the problem even after spending 6 hours in the emergency room, but we now know what it is not. Sometimes just knowing what the problem is not causing the problem is moving forward.

I have asked Mark Stadler, a NAPGA Board Member, to work on this year's annual meeting program after he suggested that we do a "Pawpaw Beginner Workshop." We have not had a program for the beginning pawpaw growers for several years. So, when Mark asked if we could do something for these beginning pawpaw growers. I was happy to accommodate his request. We have not determined the topics or the speakers but hopefully, we will have an agenda soon.

Some possible topics are: orchard set up (spacing, seedlings vs grafted trees, etc.), pawpaw tree culture, fertilizing, pruning, uses of pawpaws, networking, grafting demonstration, etc. If you have a suggestion for a topic, please let me know.

The OPGA Annual meeting will again be held at Wilmington College on May 19, 2018, registration will begin about 8:30. I'll attempt to get out registration forms soon

but I have the next two E-News letters ready to mail as soon as I get the updated email addresses in the computer.

This E-News (Vol 4, Issue 4, 2017) contains the results of the first part of a survey that was conducted by University of Missouri Center for Agroforestry (UMCA) in 2017. The second survey is the Pawpaw Production Trial and After Purchase Results (Vol 5, Issue 1, 2018). These findings were sent to me by Zhen Cai to forward on to NAPGA/OPGA members for their participation in the survey.

Thanks to all who returned the survey.
Ron



Still Life with Pawpaws by Edward Edmondson (Dayton Art Institute)

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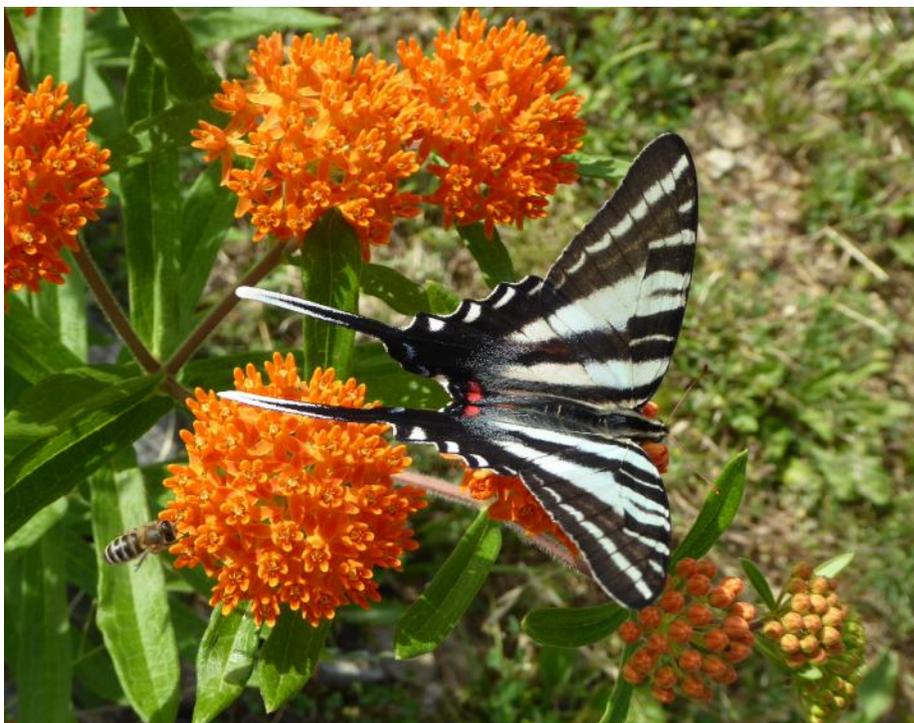
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CONTACT the Discussion Group:

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Pawpaw Producers Survey Results

A survey was conducted in 2017 to examine the current US pawpaw market by surveying pawpaw producers in the value chain. Surveys were sent out to attendees at the Fourth International Pawpaw Conference and members at the North American Pawpaw Growers Association. Eighty-one responses were collected. Respondents were from all over the US and one respondent came from Ontario, Canada. Of the US respondents, approximately 31% of the respondents were from Ohio, Kentucky (13%), North Carolina (7%), Michigan (7%), Virginia (6%), Tennessee (6%), Pennsylvania (4%), New Jersey (4%), Indiana (4%), Montana (2%), Wisconsin (2%), Oregon (2%), New York (2%), Illinois (2%), West Virginia (2%), Kansas (2%), Oklahoma (2%), Alabama (2%), and Florida (2%).



Respondents included pawpaw fruit pickers (16%), tree growers for their own use or who sell nursery plants (32%), fruit growers (26%), value added producers (5%), distributors (2%), retailers (9%), wholesalers (6%), and others (7%). The majority of respondents were pawpaw hobbyists (58%), 13% operated their business as a full-time occupation, and 29% operated their business as a part-time occupation. Over 90% of respondents earned less than \$5,000 in income from their gross annual pawpaw sales. Nearly half of the respondents (55%) have been in the pawpaw business for less than 5 years, 23% between 6-10 years, and 22% more than 10 years.

Barriers to entry and keys for success: Pawpaw production skills and knowledge were the two key resources that were ranked the most important to start a new pawpaw business and remain successful (Figures 1&2). Access to credit was ranked as least important. Respondents started their pawpaw business for different reasons, including: native species, good fruit flavor and taste, healthy fruit, easy to grow organic pawpaws, to increase public awareness of this fruit by establishing a demonstration orchard, connection to heritage, and great market potential. Respondents also pointed out several factors that may prevent people from getting into a pawpaw business. These factors include: lack of the knowledge in growing, processing, and marketing pawpaws; lack of grafted trees; growing pawpaw is a long-term investment; short shelf life of pawpaws; and limited consumer knowledge. Respondents reported that on average they spend 7 years to obtain a return from selling pawpaws, and 10 years for their pawpaw business to become profitable (revenues exceed profits).

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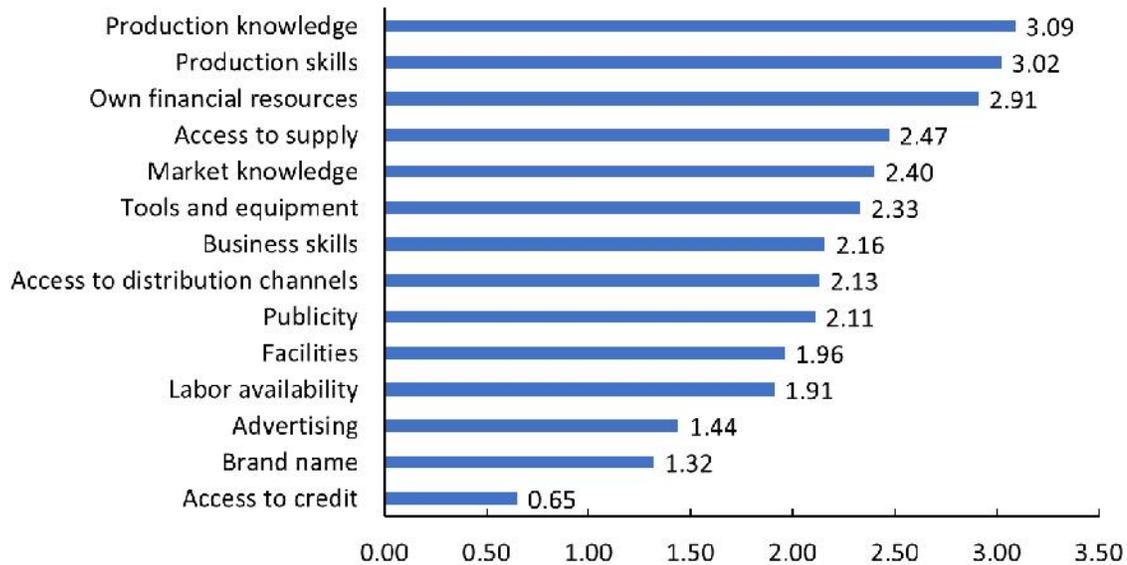
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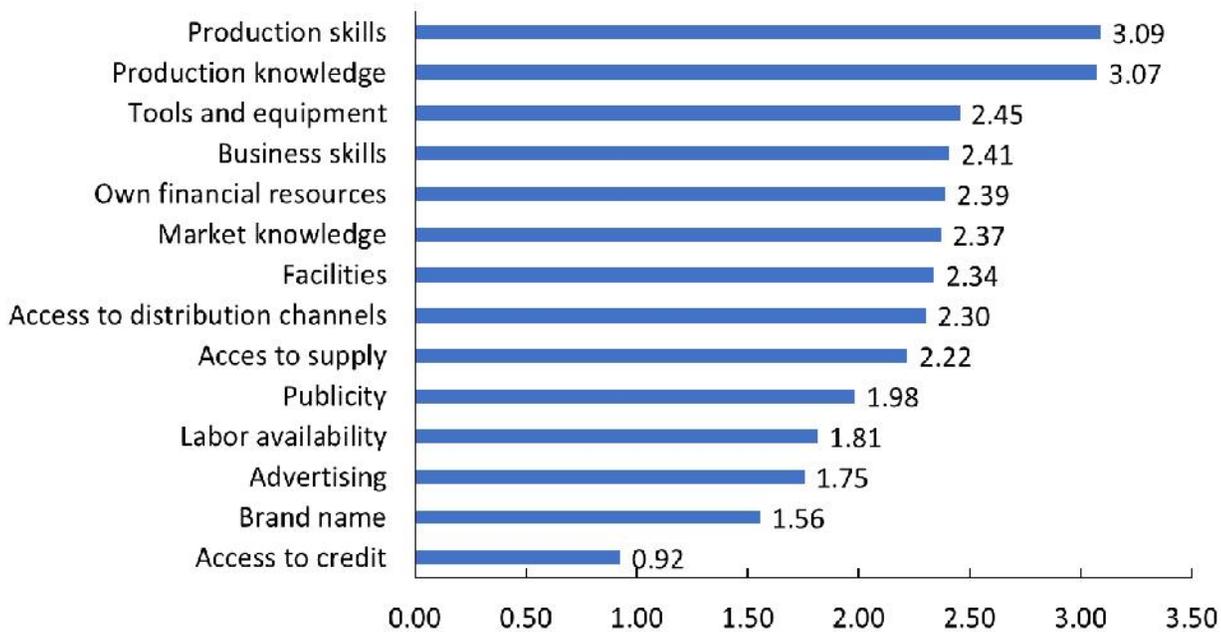
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Note: 5= Extremely important, 4=Very important, 3=Moderately important, 2=Slightly important, 1=Not at all important

Figure 1. Respondents' ranked importance of the resources to start a pawpaw business



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Figure 2. Respondents' ranked importance of the resources to remain successful in the pawpaw business

Supply: Most of the respondents indicated that the supply (e.g., grafted pawpaw trees, fresh pawpaws) is limited and not stable. Many respondents (43%) are unclear about the supply change over the past five years. However, an equal number (43%) of the respondents indicated that the supply has increased in the past five years. Respondents (60%) were positive about future supply in the pawpaw industry and indicated that the supply will increase in the next five years. Only 4% of respondents predicted a decrease in future supply while 36% of the respondents did not express an opinion as to trends in future supply.

Demand: Almost all respondents indicated that they sell their products locally (within a 75 mile radius of their business). In terms of current demand, 44% indicated there was a strong demand for their pawpaw products, 21% identified a steady demand, 19% mentioned that demand was weak, and 16% did not know. In terms of the change in demand in the past five years, 61% indicated the demand for their products increased, 9% noted steady demand, 2% identified a decreased in demand, and 28% indicated that they were unaware of any change in demand. Respondents were all positive about the future demand of their products and 100% of the respondents indicated that the demand will increase in the next five years.

Price: Respondents also reported price levels for their products including: fresh pawpaws, frozen pulp, jam, seeds, seedlings, and grafted cultivars (Table 1).

Product	Price
Fresh Pawpaws	\$2/lb - \$15/lb
Frozen Pulp	\$8/lb
Pawpaw Jam	\$8/lb
Seeds	\$0.2/seed - \$0.5/seed
Seedlings	\$8/tree - \$35/tree
Grafted cultivars	\$35/cultivar - \$50/cultivar

Table 1. Reported price levels for products in the pawpaw industry

Competition: In terms of the competition in the pawpaw industry, none of the respondents believed that the pawpaw industry is highly competitive. Thirty eight percent indicated that this industry is moderately competitive, 38% not competitive, and 24% were unaware of the level of competition in the industry.

Substitutes: The majority of the respondents (69%) believed there is no substitute for pawpaws while 31% of the respondents indicated pawpaws have substitutes. Examples include apples, peaches, pineapples, pears, and mangos.

Government Policies: Some policies (local, state or national) make it difficult for potential producers to enter the pawpaw industry. Regulations on shipping make it difficult to ship pawpaw seeds and plants. Regulations on food safety make it difficult to produce and sell products. For example, one respondent indicated that "The New York State Liquor Authority mandates 75% of the source material for alcohol production must come from within NY state. There are no large sources of pawpaws in NY State. We are investing in growing our own to hopefully stabilize the supply problem."

Some policies (local, state or national) may help potential producers to enter the pawpaw market. The North American Pawpaw Growers Association and Kentucky State University were pointed out for their invaluable work in providing pawpaw production and harvesting information to producers. Well established farmers market also helps growers to market their products. Some policies helped home-based pawpaw producers invest in producing value added food products with minimal capital investment (e.g., Home-based Food Processor bills).

Conclusions: The emerging pawpaw market has great potential with respondents uniformly indicating that demand is likely to increase over the next five years. The pawpaw industry is not competitive, and pawpaw products have few substitutes. However, lack of public awareness of pawpaws; short shelf life; unstable pawpaw product supply; lack of knowledge in growing, harvesting and marketing pawpaws; and strict shipping and food safety policies make it difficult to enter and successfully operate the business for potential and current producers.